

THE DIRECTOR OF
CENTRAL INTELLIGENCE


11 March 1977

National Intelligence Officers

TO: DCI
FROM: NIO/China

I intend to bring up this proposal for a paper on Taiwan at your meeting with the NIOs on 14 March. The attached is a brief summary of the proposal which you might want to read before the meeting.

STATINTL


National Intelligence Officer
for China

Attachment:
Proposal

SECRET

10 March 1977

MEMORANDUM FOR: D/DCI/NI

SUBJECT: Proposal for Paper on Taiwan

1. I propose an analytical paper entitled Prospects for Taiwan Should Normalization Between the US and Peking Occur. The paper would attempt to evaluate the dominant trends and forces in Taiwan if the US accepted Peking's three terms for normalization (withdrawal of troops, break diplomatic relations with Taiwan, abrogate mutual defense treaty). The paper would analyze probable courses of action for Taiwan, including a declaration of an independent status, a turn toward the Soviet Union, development of nuclear weapons capability. It would deal with the chances for a flight of capital from Taiwan, the possibilities of an economic breakdown, and the impact of a termination of US arms sales.

2. The question is should the paper be a community paper or a departmental one done by CIA.

a. Community: A community paper would be time-consuming, messy, contentious, and would have to deal with divergent positions from State and Defense. On the positive side, it would be a community effort on a very important issue and each component of the community would have its say.

b. Departmental: This would be both neater and better written if done by CIA. It would probably represent a middle ground position between State and Defense. On the negative side, it would exclude major elements of the community with resultant suspicion and hostility.

3. The DCI could raise this matter with NFIB principals today to give it additional clout. The idea of such a paper has been suggested to the NSC, DIA, and State, and they have informally concurred in the need for such a paper.

National Intelligence Officer
for China

STATINTL